

FISCAL NOTE
HB 4028 - SB 3927

March 30, 2006

SUMMARY OF BILL: Eliminates the directive that the Commissioner of Commerce and Insurance must contract with inspectors to perform electrical inspections and instead authorizes the Commissioner to hire inspectors as state employees, contract with an entity or entities for inspection services or utilize a combination of the two. Requires the inspection fee currently paid to contract electrical inspectors to be paid to the Commissioner.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$4,500,000
Increase State Expenditures - Exceeds \$6,500,000 Recurring
Exceeds \$1,850,000 One-Time

Assumptions:

- The Department of Commerce and Insurance intends to make all electrical inspectors state employees.
- Approximately 120 persons will become state employees.
- Currently, the Department does not directly expend any monies to pay contract electrical inspectors. The inspectors themselves collect the electrical inspection fees and keep 85% as payment for services and remit the remaining 15% to the Department. In FY04-05, \$5,374,000 was collected in inspection fees. Of that amount, \$806,000 was remitted to the Department.
- Under the provisions of this bill, the Department will receive the full amount of the inspection fees resulting in an increase of state revenues exceeding \$4,500,000.
- It is estimated that the state will expend an amount exceeding \$6,500,000 in salary and benefits to hire electrical inspectors as state employees and to fund the operational expenses of the program.
- A one-time increase in state expenditures for the purchase of computer programs, computer equipment, office furnishings and vehicles.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director